

State of New Mexico - Taxation & Revenue Department
Job Mentorship Tax Credit Instructions

ABOUT THIS CREDIT

To encourage New Mexico businesses to hire youth participating in career preparation education programs, a New Mexico business may claim a credit equal to fifty percent of gross wages paid to qualified students who are employed by the business during the taxable year. See *Important Definitions* below.

The following restrictions apply:

- The credit cannot be allowed for more than 10 qualified students by a business in a taxable year,
- The credit cannot be allowed for more than 50% of gross wages paid on the first 320 hours of employment for each qualified student,
- A credit for a qualified student cannot be allowed for more than three taxable years, and
- No taxpayer may claim a credit in excess of \$12,000 in any taxable year.

Important Definitions

Career Preparation Education Program means a work-based learning or school-to-career program designed for secondary school students to create academic and career goals and objectives and find employment in a job meeting those goals and objectives.

New Mexico business means a corporation, a partnership, limited partnership, limited liability company treated as a partnership for federal income tax purposes, S corporation or sole proprietorship that carries on a trade or business in New Mexico and employs in New Mexico fewer than 300 full-time employees at any one time during the tax year.

Qualified Student means an individual who is at least 14 years old, but not more than 21 years old, who is attending an accredited New Mexico secondary school full-time and who is a participant in a career preparation education program sanctioned by the secondary school.

HOW TO OBTAIN CERTIFICATES AND CLAIM THE CREDIT

The Taxation and Revenue Department issues certificates to a school according to the number of qualified students in the program on October 15 of that school year. To obtain the certificates, the school principal completes and submits Form RPD-41279, *New Mexico Job Mentorship Tax Credit Certificate Request Form*, to a local district tax office. See the local district office information included with these instructions. The *Job Mentorship Tax Credit Certificate* (Form RPD-41280) is executed by the school principal and transferred to a New Mexico business (employer) participating in the school-sanctioned career preparation education program sponsored by the school. A certificate specifies the qualified student and the school year to which the certificate applies. A certificate cannot be transferred to another business, another school year or another qualified student.

To claim the credit, the employer must complete Form RPD-41281, *Job Mentorship Tax Credit Claim Form*, and attach it to the personal or corporate income tax return for the tax year in which the qualified student was employed. Attach Schedule A to RPD-41281, *Job Mentorship Tax Credit Claim Form*, if you have unused job mentorship tax credit available for carry forward from prior years, or your total available credit can be claimed by one or more owners, partners or associates.

A husband and wife who file separate returns for a tax year in which they could have filed a joint return may each claim only one-half of the credit that would have been allowed on a joint return. A taxpayer who qualifies for and claims a job mentorship tax credit for employment of qualified students by a partnership, limited partnership, limited liability company, S corporation or other business association of which the taxpayer is a member may claim a credit only in proportion to his interest. The total credit claimed by all members of the business shall not exceed the maximum credit allowable of \$12,000 in any tax year.

Also attach a copy of an executed Form RPD-41280, *Job Mentorship Tax Credit Certificate*, for each qualified student employed during the tax year of the claim. The job mentorship tax credit may only be deducted from the taxpayer's New Mexico income tax liability for the tax year. Any unused portion of the credit allowed may be carried forward for three consecutive tax years, under certain conditions.

Form RPD-41279, *New Mexico Job Mentorship Tax Credit Certificate Request Form*, and Form RPD-41281, *Job Mentorship Tax Credit Claim Form*, can be found on the Department's web site, www.tax.newmexico.gov. Click on "Forms", and on "Income Tax".

Local Taxation and Revenue Department Offices: Local tax offices can provide full service and information about New Mexico's taxes, programs, forms and specific information about your filing situation. If you have questions or require additional information, you may contact your local Taxation and Revenue Department Office.

ALBUQUERQUE:

Taxation & Revenue Department
Bank of the West Building
5301 Central Ave., NE
P.O. Box 8485
Albuquerque, NM 87198-8485
Telephone: **(505) 841-6200**

FARMINGTON:

Taxation & Revenue Department
3501 E. Main Street
P.O. Box 479
Farmington, NM 87499-0479
Telephone: **(505) 325-5049**

LAS CRUCES:

Taxation & Revenue Department
2540 El Paseo, Bldg. # 2
P.O. Box 607
Las Cruces, NM 88004-0607
Telephone: **(575) 524-6225**

ROSWELL:

Taxation & Revenue Department
400 North Pennsylvania, Suite 200
P.O. Box 1557
Roswell, NM 88202-1557
Telephone: **(575) 624-6065**

SANTA FE:

Taxation & Revenue Department
1200 South St. Francis Drive
P.O. Box 5374
Santa Fe, NM 87502-5374
Telephone: **(505) 827-0951**

Main switchboard (Santa Fe): (505) 827-0700